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C O N F I D E N T I A L ROME 001310

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STATE FOR EUR/WE, KATHLEEN ALLEGRONE AND ANDREW YOUNG

E.O. 12958: DECL: 06/14/2017

TAGS: [PREL](#) [EFIN](#) [ETRD](#) [EXIM](#) [OECD](#) [UN](#) [EU](#) [IR](#) [IT](#)

SUBJECT: UNSCR 1747/OECD: ITALY WOULD LIKELY SUPPORT UNSCR
ON NO NEW EXPORT CREDITS TO IRAN

REF: A. STATE 81876

[1](#)B. STATE 81875

[1](#)C. ROME 667

Classified By: Economic Minister Counselor Tom Delare
for reasons 1.4 (b) and (d).

[1](#)1. (C) Econoff met June 14 with Filippo Giansante, Ministry of Finance Chief of the Paris Club Division, to discuss options to restrict export credit flows to Iran through the OECD (refs A and B). (Note: Giansante is also an advisor to Ignazio Angeloni, President of Italy's export credit agency, SACE.) Giansante reported that it was unlikely Italy would respond to USG questions to OECD members in ref B, as Italy does not believe that the OECD is the proper forum to pursue further action against Iran on export credits. Rather, the U.S. should seek to include clear language on no new export credits to Iran in a third UNSC resolution. This way, he explained, OECD member states would merely act on the UN resolution and not be put in the "uncomfortable" position of pursuing a role outside of OECD's mandate.

[1](#)2. (C) Giansante conceded that the OECD could be an excellent forum to discuss ceasing export credits to Iran -- but only after a third UNSC resolution requiring all member states to not issue any new credit guarantees to Iran was passed. He presented Econoff datashowing that SACE's exposure to Iran currently stands at 2.9 billion euros (mostly for machinery, he claimed) and will drop further by year's end. "But export credits are very fungible," he added, explaining that SACE's reduction of exposure to Iran will not prevent other nations from filling the void. If the OECD were to take a more aggressive stand, that would not prevent non-OECD members like China from assuming OECD members' old Iran business, he stated. Only an UN resolution on export credits to Iran would guarantee a "level playing field." A third UN resolution would also embolden OECD members to make symbolic gestures, as the fear of emerging market competitors taking old Iran business would vanish.

[1](#)3. (C) Giansante wanted to ensure that the U.S. understands that, while Italy would likely support a third UNSCR calling on all member states to halt new export credits to Iran, it could not support any UN language calling for the cancellation of outstanding credits. If SACE were not to honor outstanding credits, it could face legal actions for damages.
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